

I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Richard B. Lee. I am Vice President of the economic consulting firm of Snavely King Majoros O'Connor & Lee, Inc. ("Snavely King"). My business address is 1220 L Street, N.W., Suite 410, Washington, D.C. 20005.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I earned a Bachelor of Science degree in Industrial Administration with High Honors from Yale University in 1961. I earned a Master of Business Administration degree with Distinction from the Harvard Business School in 1963.

Q. PLEASE DESCRIBE SNAVELY KING.

A. Snavely King, formerly Snavely, King & Associates, Inc., was founded in 1970 to conduct research on a consulting basis into the rates, revenues, costs and economic performance of regulated firms and industries. The firm has a professional staff of 10 economists, accountants, engineers and cost analysts. Most of its work involves the development, preparation and presentation of expert witness testimony before Federal and state regulatory agencies. Over the course of its 30-year history, members of the firm have participated in over 500 proceedings before almost all of the state commissions and all Federal commissions that regulate utilities or transportation industries.

Q. PLEASE DESCRIBE THE TYPE OF WORK YOU HAVE PERFORMED WHILE AT SNAVELY KING.

A. Since joining Snavely King in 1991, I have assisted clients in proceedings before the Federal Communications Commission ("FCC") related to a variety of matters. Attachment 1 is a list of the FCC filings I have prepared on behalf of the General

1 Services Administration ("GSA"). The GSA represents the customer interests of the
2 Federal Executive Agencies in matters before the FCC.

3 I have also assisted clients in proceedings before twenty-eight state commissions
4 related to the telephone, cellular telephone and electric industries.

5 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN ANY REGULATORY**
6 **PROCEEDING?**

7 A. Yes, I have. Attachment 2 is a list of my appearances before regulatory agencies on
8 behalf of various clients.

9 **Q. WHAT WAS YOUR EMPLOYMENT HISTORY BEFORE JOINING SNAVELY**
10 **KING?**

11 A. From 1980 to 1990, I was employed by American Telephone and Telegraph Company
12 ("AT&T") in its Federal Regulatory Affairs Division. As Regulatory Vice President -
13 Financial and Accounting Matters, I represented AT&T before the FCC in all financial
14 and accounting matters. In that capacity, I directed the preparation and presentation of all
15 AT&T Communications depreciation represcription filings before the FCC. I also
16 conceived and developed a methodology which reduced the administrative burden of
17 AT&T's depreciation filings by over 90 percent. Prior to divestiture, I directed the
18 preparation and presentation of all Bell Operating Company ("BOC") depreciation filings
19 before the FCC.

20 **Q. WHAT WAS YOUR EMPLOYMENT HISTORY BEFORE 1980?**

21 A. From 1963 to 1980, I was employed by the New York Telephone Company. I held a
22 variety of progressively responsible positions leading to a position representing the
23 Company in accounting matters before the New York Public Service Commission. In
24 this capacity, I participated in a number of general rate cases and related proceedings.

1 My complete resume is attached as Attachment 3.

2 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

3 A. AT&T and WorldCom, Inc. have asked me to identify the depreciation parameters
4 appropriate for use in Total Element Long-Run Incremental Cost ("TELRIC") studies for
5 the development of unbundled network element ("UNE") rates for Verizon-Virginia
6 ("VZ-VA").

7 **Q. WHAT DO YOU CONCLUDE?**

8 A. I conclude that the projection lives and future net salvage values last prescribed by the
9 FCC for VZ-VA should be used in developing UNE rates (*see* Attachment 6).
10

11 **II. FCC PROJECTION LIVES ARE FORWARD-LOOKING**

12
13 **Q. DOES THE FCC SPECIFY THE PLANT LIVES TO BE USED IN THE PRICING**
14 **OF UNBUNDLED NETWORK ELEMENTS?**

15 A. Yes, indirectly. The FCC's rules require that only forward-looking costs be used in the
16 setting of interconnection prices.² This requires the use of economic depreciation rates.³
17 To comply with this guideline, the plant lives used must be based upon the expected
18 economic lives of newly placed plant.⁴ In depreciation proceedings, such plant lives are

² FCC Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, FCC 96-325 (rel. Aug. 8, 1996) ("August 8 Order"), Appendix B ("Rules"), §51.505 (a).

³ Rules, §51.505 (b) (3).

⁴ The economic life of an asset is its total revenue producing life. Public Utility Depreciation Practices ("Depreciation Practices"), National Association of Regulatory Utility Commissioners, (Aug. 1996), at, 318.

1 termed "projection lives" to differentiate them from "remaining lives" and "average
2 service lives" which reflect past plant placements.

3 **Q. WHICH DO YOU CONSIDER TO BE THE MOST REALISTIC ESTIMATES OF**
4 **PLANT PROJECTION LIVES?**

5 A. In general, I believe the projection lives prescribed by the FCC to be the most realistic
6 estimates of plant projection lives. Pursuant to statutory responsibility, the FCC has been
7 prescribing depreciation rates for telephone companies for over 50 years.⁵ Until recently,
8 it reviewed full studies submitted by the largest companies on a triennial basis.⁶ The
9 projection lives prescribed by the FCC are the result of its analysis of depreciation studies
10 filed by carriers and performed in consultation with state regulatory commission staffs.
11 The projection lives that the Commission relied upon for developing VZ-VA UNE costs
12 in 1998 are the result of that rigorous review process.

13 **Q. ARE THE PROJECTION LIVES PRESCRIBED BY THE FCC FORWARD-**
14 **LOOKING?**

15 A. Yes, they are. As the FCC noted last year, in 1980, it "departed from its previous
16 practice of relying largely on historical experience to project equipment lives and began
17 to rely on analysis of company plans, technological developments, and other future-
18 oriented studies."⁷

19 In 1995, the FCC reaffirmed its forward-looking orientation in connection with
20 the simplification of its depreciation represcription practices. The FCC prescribed a

⁵ 47 U.S.C. §220 (b).

⁶ Interim updates are also performed.

⁷ FCC, 1998 Biennial Regulatory Review-Review of Depreciation Requirements for Incumbent
Local Exchange Carriers, CC Docket 98-137, Report and Order, FCC 99-397 (rel. Dec. 30, 1999)
("1999 Update"), ¶ 5.

1 range of projection lives that could be selected by carriers for prescription on a
2 streamlined basis. The FCC stated that these ranges were based upon “statistical studies
3 of the most recently prescribed factors. These statistical studies required detailed
4 analysis of each carrier’s most recent retirement patterns, the carriers’ plans, and the
5 current technological developments and trends.”⁸ In 1999, the FCC completed a review
6 of these ranges and updated them as appropriate⁹. The FCC stated:

7 These ranges can be relied upon by Federal and state
8 regulatory commissions for determining the appropriate
9 depreciation factors for use in establishing high cost
10 support and interconnection and UNE prices.¹⁰

11
12 Indeed, the FCC further stated:

13 In adopting a forward-looking mechanism for high-cost
14 support, we found that depreciation expense calculations
15 based on the Commission’s prescribed projection lives and
16 salvage factors represent the *best forward-looking estimates*
17 of depreciation lives and net salvage percentages.¹¹

18
19 **Q. IS THERE EMPIRICAL EVIDENCE THAT THE PROJECTION LIVES**
20 **PRESCRIBED BY THE FCC HAVE BEEN FORWARD-LOOKING?**

⁸ FCC, Simplification of the Depreciation Prescription Process, CC Docket No. 92-296
 (“Prescription Simplification” proceeding), Third Report and Order, FCC 95-181 (rel May 4,
 1995), at 6.

⁹ 1999 Update, ¶ 14.

¹⁰ *Id.*, ¶ 34.

¹¹ FCC, United States Telephone Association’s Petition for Forbearance from Depreciation
 Regulation of Price Cap Local Exchange Carriers, ASD 98-91, Memorandum Opinion and Order,
 FCC 99-397 (rel. Dec. 30, 1999), ¶ 61 (emphasis added).

1 A. Yes. As I will show, recent trends in depreciation reserve levels in the industry and for
2 VZ-VA provide empirical evidence that the projection lives prescribed by the FCC have
3 been forward-looking. As the FCC has recognized, “[t]he depreciation reserve is an
4 extremely important indicator of the depreciation process because it is the accumulation
5 of all past depreciation accruals net of plant retirements. As such, it represents the
6 amount of a carrier’s original investment that has already been returned to the carrier by
7 its customers.”¹²

8 The FCC’s recognition of the reserve level as an indicator of the depreciation
9 process can best be understood by examining a steady state example. Assume that we
10 start with a stable environment in which the average age of plant is 9 years and the
11 expected life of plant is 27 years. In this case, the add rate, retirement rate and straight-
12 line accrual rate are all 3.7 percent, and the reserve level is stable at 33 percent of plant in
13 service (9 years/27 years).¹³ As we vary these factors, we can see the effect on the
14 reserve level. For example:

- 15 • If the add rate were to increase above 3.7 percent, the reserve level
16 would go down. This would not be a cause for concern, since the
17 average age of plant would similarly represent a lower percent of
18 its expected life.
- 19 • If the retirement rate were to increase above 3.7 percent, the
20 reserve level would go down. This would be a cause for concern,

¹² FCC, Report on Telephone Industry Depreciation, Tax and Capital/Expense Policy, Accounting and Audits Division (April 15, 1987) (“AAD Report”), at 5-6.

¹³ Depreciation Reserve will stabilize at 33 percent assuming a triangular (straight-line) mortality curve. See Notes for Engineering Economics Courses, American Telephone and Telegraph Company, Engineering Department, 1966, at 121.

1 since it would indicate that the expected life of plant is shorter than
2 previously expected. If the expected life is shorter, the average age
3 of plant would represent a higher percent of its expected life, and
4 the reserve should be higher, not lower than 33 percent.

- 5 • If the accrual rate were to increase above 3.7 percent, the reserve
6 level would go up. This would not be appropriate absent a
7 reduction in the expected life of the plant, since it would indicate
8 that the age of plant is higher than 33 percent of its expected life.

9 In summary, a declining reserve percent would be a reason for concern absent
10 indications that it is merely the result of growth in plant. On the other hand, a rising
11 reserve percent is generally a positive sign that the depreciation process is working well.
12 Indeed, absent indications that the expected life of plant is decreasing, it might be a sign
13 that accrual rates are too high.

14 Attachment 4 to this testimony displays reserve levels and other plant rates since
15 1946 for all local exchange carriers (“LECs”) providing full financial reports to the FCC.
16 As shown on Page 1 of Attachment 4, reserve percents decreased steadily following
17 World War II due to industry growth. These declines continued through the 1970’s due
18 in part to accrual rates that were too low.¹⁴

19 As shown on Page 1 of Attachment 4, however, the FCC’s change to forward-
20 looking depreciation practices in the early 1980s resulted in a dramatic rise in reserve
21 levels after 1980. The composite reserve level rose from 18.7 percent in 1980 to an
22 historic high of 52.8 percent in 2000. This track record indicates that the depreciation

¹⁴ AAD Report, at 7.

1 process is resulting in adequate depreciation accruals, and that the FCC's projection life
2 estimates have been forward-looking and unbiased.

3 Confirmation of the forward-looking nature of current FCC prescriptions can be
4 gained by comparing the 2000 accrual rate of 6.9 percent (Attachment 4, Page 4, Column
5 l) to the 2000 retirement rate of 3.7 percent (Attachment 4, Page 4, Column k). The
6 prescription of an accrual rate much higher than the current retirement rate indicates an
7 expectation that the retirement rate will be much higher in the future. If the FCC were
8 prescribing depreciation rates based upon historical indicators, it would be prescribing
9 depreciation rates in the range of 3 to 5 percent.

10 Attachment 5 confirms that these national trends apply also to VZ-VA. The
11 depreciation reserve level for VZ- VA has risen from 32.9 percent in 1992 to 49.6 percent
12 in 2000, despite a growth in plant of over 60 percent. VZ- VA's accrual rate in 2000 was
13 6.9 percent, while its retirement rate was only 3.1 percent.
14

15 **III. THE VIRGINIA SCC ADOPTED FCC LIVES IN 1998**

16 **Q. WHAT LIVES DID THE VIRGINIA SCC ADOPT IN 1998?**

17 A. The Virginia State Corporation Commission ("VSCC") adopted FCC lives for UNE
18 costing in 1998, and stated:

19 We adopted the AT&T/MCI-recommended depreciation
20 parameters (Exhibit RBL-78, Attachment 6, Column "FCC
21 VA"), in which Staff concurred, for forward-looking,
22 economic lives and net salvage percentages. These
23 parameters are the best supported and most reasonable data
24 in this proceeding.¹⁵

¹⁵ Docket PUC970005, Ex Parte: To determine prices Bell Atlantic-Virginia, Inc. is authorized to charge Competitive Local Exchange Carriers in accordance with the Telecommunications Act of 1996 and applicable State Law, Order (May 22, 1998), at 6.

IV. OTHER STATE TELRIC DECISIONS SUPPORT FCC LIVES

Q. HAS SNAVELY KING PROVIDED TELRIC DEPRECIATION TESTIMONY IN OTHER FORMER BELL-ATLANTIC STATES?

A. Yes. Snavely King provided essentially the same testimony as in this proceeding in TELRIC proceedings in all the former Bell Atlantic states on behalf of AT&T or AT&T/WorldCom. In most states where orders have been issued, lives prescribed by the FCC, or similar state prescribed lives, have been adopted.¹⁶

The Massachusetts Department of Public Utilities ("DPU") adopted FCC lives and stated the following:

As noted by Mr. Lee, the FCC's represcription process is based on a forward-looking orientation, including current technological developments and trends. He notes that this has been made evident in increasing depreciation reserve levels for NYNEX. He also states that the FCC projection lives result in a composite 7.4 percent depreciation rate, despite an average retirement rate of only 3.3 percent. This, he asserts, is a clear indication that the FCC's projection lives are forward-looking, because, if it were using a historical approach, the composite rate would be in the 3 to 4 percent range (AT&T Unmarked Exh. at 6-4).

Under the terms of the Local Competition Order, it is NYNEX's burden to prove the reasonableness of its proposed depreciation rates. Dr. Vanston's testimony does not effectively rebut Mr. Lee's characterization of the FCC process, and, although he has offered general opinions about the degree of technological change that might occur in the industry, he has presented no NYNEX-specific analysis that might cause us to think that the FCC lives are not appropriate.

¹⁶ In Pennsylvania, lives used in previous proceeding were adopted (Docket A-310203F002, April 10, 1997). In Vermont, lives previously prescribed by the Public Service Board were adopted (Docket 5713, Feb. 4, 2000).

1 We find, based on this record, that the projection lives
2 prescribed by the FCC in its last represcription of
3 NYNEX's depreciation rates are the kind of forward-
4 looking projection lives required in a TELRIC study.¹⁷

5 In New York, the Commission adopted prescribed lives and stated:

6 We find ample basis for crediting AT&T's argument that
7 the represcription process has become more forward-
8 looking.¹⁸

9 * * *

10 Given the (rebuttal) presumption, under both the First
11 Report and Order and the cost manuals, in favor of the
12 prescribed rates, a decision that those rates are acceptable
13 obviates detailed evaluation of New York Telephone's
14 proposal. It is worth noting, however, that New York
15 Telephone has not shown why GAAP-based rates are
16 proper, nor has it fully come to grips with the concern that
17 adoption of its GAAP-based depreciation rates would
18 unduly inflate the cost of network elements, in effect
19 requiring its competitors to subsidize its own competitive
20 ventures.¹⁹

21 The Delaware Commission adopted the FCC's prescribed lives as proposed by AT&T.²⁰

22 The Delaware Hearing Examiners stated:

23 We agree with Staff, OPA, MFS and AT&T that the use of
24 unreasonably short economic lives will lead to excessive
25 costs for the unbundled network elements. We do not find
26 persuasive BA-Del's criticisms of the lives recommended
27 by AT&T witness Lee. The FCC prescribed lives are
28 forward-looking and appropriate to use in a TELRIC
29 model. (Ex. 12 at 5.) They are determined by an
30 independent unbiased agency with 50 years' experience

¹⁷ DPU 96-73/74, *et al.*, (Dec. 4, 1996), at 55-56.

¹⁸ Cases 95-C-0657, 94-C-0095, 91-C-1174, Opinion No. 97-2, at 47-48.

¹⁹ *Id.*, at 48.

²⁰ Docket 96-324 (April 29, 1997).

prescribing depreciation rates for telephone companies.
(Id. at 4.)²¹

* * *

We agree with Staff, OPA, MFS and AT&T that the depreciation lives proposed by BA-Del witness Vanston are too short and should be rejected. We found the testimony of AT&T witness Lee to be credible and we will adopt the forward-looking plant lives and depreciation rates prescribed by the FCC for BA-Del, as recommended by Mr. Lee.²²

In adopting FCC lives, for the most part, the West Virginia Commission stated:

After considering the testimony and evidence presented by the parties, the Commission concludes that, while several of the assumptions advanced by Mr. Vanston regarding technological obsolescence and substitution have a logical validity, those assumptions are not sufficiently supported by the evidence to be adopted by the Commission for purposes of establishing depreciation lives.²³

* * *

The Commission will adopt, for the most part, AT&T's argument that the Commission should base BA-WV's depreciation lives on those lives prescribed by the FCC during the represcription process. Such lives do take into account technological advances and telecommunications carriers' actual retirement of plant. Moreover, the FCC has indicated that these lives, or those adopted by state commissions, are an "appropriate starting point" for establishing depreciation lives for an ILEC's physical plant.²⁴

²¹ PSC Docket No. 96-324, Findings and Recommendations of the Hearing Examiners (April 7, 1997), at 40.

²² *Id.*, at 41.

²³ Case No. 96-1516-T-PC (April 21, 1997) at 40-43.

24 *Id.*

1 The Maryland Commission adopted FCC lives, stating:

2 After reviewing the record on this issue, we will accept the
3 consensus of the parties (excepting Bell) that the FCC lives
4 should be utilized at this time in determining the
5 appropriate depreciation rates for pricing unbundled
6 network elements. . . . On this record, we note the difficulty
7 in reviewing and verifying the shortened lives advocated by
8 witness Vanston, while the relatively recent FCC
9 prescribed depreciation rates have undergone scrutiny and
10 been accepted by the FCC as well as other jurisdictions.²⁵

²⁵ Case No. 8731 Phase II (Sept. 22, 1997) at 42.

1 **Q. HAVE ANY OTHER STATE COMMISSIONS ISSUED DECISIONS WHICH**
2 **ADOPT FCC PRESCRIBED PROJECTION LIVES, OF SIMILAR STATE**
3 **PRESCRIBED LIVES, FOR USE IN TELRIC CALCULATIONS?**

4 **A. Yes, indeed. Other state Commissions adopting prescribed projection lives for use in**
5 **TELRIC calculations include Texas,²⁶ Wyoming,²⁷ Ohio,²⁸ Colorado,²⁹ Louisiana,³⁰**
6 **Georgia,³¹ Nevada,³² Illinois,³³ Florida,³⁴ South Carolina,³⁵ Alabama,³⁶ Mississippi,³⁷**
7 **North Carolina,³⁸ Hawaii,³⁹ and Tennessee.⁴⁰**

²⁶ Docket 16189, et al. (Nov. 8, 1996).

²⁷ Docket 70000-TF-96-319, 72000-TF-96-95 (April 23, 1997).

²⁸ Docket 96-922-TP-UNC (June 19, 1997).

²⁹ Docket 96S-331T (July 28, 1997).

³⁰ Docket U-22022/22093 (Oct. 22, 1997).

³¹ Docket 7061-U (Dec. 16, 1997).

³² Docket 96-9035 (Feb. 5, 1998).

³³ Docket 96-0569 (Feb. 17, 1998).

³⁴ Docket 960833-TP (April 29, 1998).

³⁵ Docket 97-374-C (June 1, 1998).

³⁶ Docket 96029 (Aug. 25, 1998).

³⁷ Docket 97-AD-544 (Aug. 25, 1998).

³⁸ Docket P-100, Sub. 133d (Dec. 10, 1998).

³⁹ Docket 7702 (Jan. 1, 1999).

⁴⁰ Docket 97-01262 (Jan. 25, 1999).

1 Q. HAS THE FCC NOTED THE USE OF ITS PRESCRIPTIONS IN STATE UNE
2 CASES?

3 A. Yes. The FCC stated the following in 1999:

4 We are concerned that forbearance from depreciation
5 regulation by the Commission might deprive state
6 regulatory commissions of valuable information that they
7 may want or need in setting rates for interconnection and
8 UNEs, and might enable incumbent LECs to raise
9 arbitrarily the rates for essential inputs that competitors
10 must purchase from the incumbent LECs. This could have
11 an adverse impact on the development of local
12 competition.⁴¹
13

14 V. EFFECT OF UNREALISTICALLY SHORT LIVES

15 Q. WHAT EFFECT WOULD THE USE OF PLANT LIVES IN TELRIC
16 CALCULATIONS THAT ARE UNREALISTICALLY SHORT HAVE ON
17 COMPETITION?

18 A. The use of unrealistically short lives would cause unbundled network elements to be
19 priced above TELRIC. Such pricing would be contrary to the FCC's guidelines and
20 impede the development of competition based upon the purchase of unbundled network
21 elements in the local market.
22

23 VI. CONCLUSION

24 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

25 A. Yes, it does.

⁴¹ 1999 Update, ¶ 33 (footnote deleted).

I, RICHARD B. LEE hereby swear and affirm that the foregoing direct testimony was prepared by me or under my direct supervision or control and is true and accurate to the best of my knowledge and belief.

Signed:

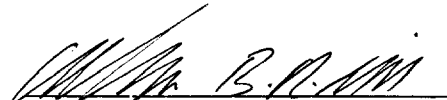

Witness

State : District of Columbia
County :

I, Ulrike B.R. Hill do hereby swear and affirm that _____

Richard B. Lee appeared before me this 18th day of July, 2001.

Signed:


Notary

Notary Qualification Expires: May 14, 2006

[Stamp or Seal]

RICHARD B. LEE

FCC FILINGS ON BEHALF OF GENERAL SERVICES ADMINISTRATION

<u>PROCEEDING</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>DATE</u>
CC Docket No. 87-568	AT&T Communications Revisions to Tariff FCC No. 12	Reply	3/25/91
CC Docket No. 91-141	Expanded Interconnection with Local Telephone Company Facilities	Comments	8/6/91
		Reply	9/20/91
		Reply	12/10/91
		Comments	1/14/93
		Reply	2/19/93
		Comments	4/2/93
DA Docket No. 91-698	New York Telephone Co. Petition for Waiver of Part 61.49(g) of the Commission=s Rules	Reply	4/30/93
		Comments	8/9/91
CC Docket No. 89-79	Amend. of Part 69 of the Commission=s Rules Relating to the Creation of Access Charge Subelements for Open Network Architecture	Reply	9/9/91
		Comments	8/26/91
			9/25/91
CC Docket No. 87-313	Policy and Rules Concerning Rates for Dominant Carriers		10/2/91
		Comments	8/26/91
		Reply	9/25/91
		Reply	10/2/91

<u>PROCEEDING</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>DATE</u>
CC Docket No. 91-213	Transport Rate Structure and Pricing	Comments	11/22/91
		Reply	1/22/91
		Comments	2/1/93
		Reply	3/19/93
Petition	ONA Access Charge Tariff Filings	Petition to Suspend	11/26/91
DA No. 91-1452	Federal-State Joint Conference on ONA Staff Report on Uniform Tariffing Guidelines for ONA Services	Comments	12/20/91
		Reply	1/21/92
CC Docket No. 91-346	Intelligent Networks	Reply	4/6/92
		Comments	11/1/93
		Reply	12/1/93
CC Docket No. 92-133	Amend. of Parts 65 and 69 of the Commission's Rules to Reform the Interstate Rate of Return Represcription and Enforcement Processes	Comments	9/11/92
		Reply	10/13/92
CC Docket No. 92-91	ONA Tariffs of Bell Operating Companies	Comments	10/16/92
CC Docket No. 92-222	Amendment of the Part 69 Allocation of General Support Facility Costs	Comments	12/4/92
		Reply	12/18/92
CC Docket No. 92-256	Application of ONA and Nondiscrimination Safeguards to GTE Corporation	Comments	2/1/93
		Reply	3/24/93

<u>PROCEEDING</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>DATE</u>
CC Docket No. 92-296	Simplification of the Depreciation Prescription Process	Reply Reply Reply	4/13/93 1/21/94 12/14/94
DA 93-481	Ameritech=s Petition for Declaratory Ruling and Related Waivers to Establish a New Regulatory Model for the Ameritech Region	Reply	7/12/93
DA 93-687	Rochester Telephone Corp. Petition for Waivers of Part 61 Tariff Rules and Part 69 Access Charge Rules to Implement Its Open Market Plan	Comments Reply	7/19/93 8/9/93
CC Docket No. 91-273	Amendment of Part 63 of the Commission=s Rules to Provide for Notifications by Common Carriers	Comments Reply	1/21/94 2/22/94
DA Docket No. 93-1537	NYNEX Transition Plan to Preserve Universal Service in a Competitive Environment	Reply	3/2/94
Petition	Petition for Declaratory Ruling Assigning an N11 Dialing Code for use by the Public in Gaining Access to the Services of the Federal Executive Agencies	Petition	3/11/94

<u>PROCEEDING</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>DATE</u>
CC Docket No. 94-1	Price Cap Performance Review for Local Exchange Carriers	Comments	5/9/94
		Reply	6/29/94
		Comments	1/31/95
		Comments	4/17/95
		Comments	10/27/95
		Reply	11/20/95
		Comments	12/18/95
		Reply	3/1/96
CC Docket No. 94-54	Equal Access and Interconnection Obligations Pertaining to Commercial Mobile Radio Services	Comments	8/30/94
		Reply	10/13/94
IAD File No. 94-101	Requests of Federal Agencies and Others for the Assignment of N11 Codes	Reply	9/23/94
CC Docket No. 80-286	Amendment of Part 36 of the Commission=s Rules and Establishment of a Joint Board	Reply	12/2/94
		Comments	9/12/95
		Reply	11/9/95
CC Docket No. 92-237	Administration of the North American Numbering Plan	Nomination	8/7/95
		Application	9/12/95
CC Docket No. 95-115	Amendment of the Commission=s Rules and Policies to Increase Subscribership and Usage of the Public	Comments	9/27/95
		Reply	11/13/95

<u>PROCEEDING</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>DATE</u>
CC Docket No. 95-155	Toll Free Service Access Codes	Comments Reply	11/1/95 11/20/95
CCB-IAD 95-110	Telecommunications Access Provider Survey	Comments Reply	12/11/95 1/16/96
CC Docket No. 87-124	Access to Telecommunications Equipment and Services by Persons With Disabilities	Comments Reply	1/12/96 2/29/96
AAD 96-28	Rate of Return Inquiry	Comments Reply	3/11/96 4/15/96
CS Docket No. 96-46	Implementation of Section 302 of the Telecommunications Act of 1996	Comments Reply	4/1/96 4/11/96
CC Docket No. 96-45	Federal-State Joint Board on Universal Service	Comments Reply Comments	4/12/96 5/7/96 10/17/97
CC Docket No. 96-61	Policy and Rules Concerning the Interstate, Interexchange Marketplace	Reply	5/3/96
CC Docket No. 96-98	Implementation of the Local Competition Provisions in the Telecommunications Act of 1996	Comments Reply	5/16/96 6/3/96

<u>PROCEEDING</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>DATE</u>
CC Docket No. 96-112	Allocation of Costs Associated with Local Exchange Carrier Provision of Video Programming Services	Comments Reply	5/28/96 6/12/96
CC Docket No. 96-150	Accounting Safeguards Under the Telecommunications Act of 1996	Comments Reply	8/26/96 9/10/96
CC Docket No. 91-141 CCB-IAD File No. 98-102	Local Competition Survey	Comments Reply	6/8/98 6/22/98
CC Docket No. 98-81	1998 Biennial Regulatory Review - Review of Accounting and Cost Allocation Requirements	Reply	9/4/98
CC Docket No. 98-117	1998 Biennial Regulatory Review Review of ARMIS Reporting Requirements	Reply	9/4/98
CC Docket No. 98-166	Prescribing the Authorized Unitary Rate of Return for Interstate Services of Local Exchange Carriers	Comments	1/19/99 3/16/99
CC Docket No. 96-45 CC Docket No. 97-160	Federal-State Joint Board on Universal Service Forward-Looking Mechanism for High Cost Support for Non-Rural LECs	Comments Reply	7/23/99 8/6/99
CC Docket No. 98-147	Deployment of Wireline Services Offering Advanced Telecommunications Capability	Comments	9/24/99

<u>PROCEEDING</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>DATE</u>
CC Docket No. 98-137	1998 Biennial Regulatory Review - Review of Depreciation Requirements for Incumbent Local Exchange Carriers	Comments	4/17/00
		Reply	4/28/00
-----	Biennial Regulatory Review 2000	Comments	10/10/00
		Reply	10/20/00
CC Docket No. 00-199	2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3	Comments	12/21/00
		Reply	1/30/01
		Comments	2/13/01
		Reply	3/14/01
File No. ASD-01-20	Application for Review of Responsible Accounting Officer Letter 31, Cost Allocation Manual Audit Requirements for Large Local Exchange Carriers	Comments	3/28/01
		Reply	4/9/01
CC Docket No. 99-301	Local Competition and Broadband Reporting	Reply	4/2/01

07/28/01

RICHARD B. LEE

APPEARANCES BEFORE REGULATORY AGENCIES

<u>STATE</u>	<u>CLIENT</u>	<u>UTILITY</u>	<u>CASE</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>FILE DATE</u>	<u>CROSS DATE</u>
CA	US Department Of Defense	All LECs	I.87-11-033 Phase III	IntraLATA Competition	Direct Reply	9/23/91 10/2/91	10/7/91 10/7/91
CA	US Department Of Defense	All LECs	I.87-11-033 Phase III	Rate Design	Direct Reply Suppl.	12/16/91 1/17/92 4/18/92	4/28/92 4/28/92 4/28/92
CO	US Department Of Defense	All LECs	92R-050T	Interconnection	Direct	8/20/92	8/31/92
WV	Consumer Advocate Division of WV PSC	C&P	90-424-T-PC	Cost Allocation	Direct Reply	10/6/92 12/18/92	1/14/93 1/14/93
CA	US Department Of Defense	Pacific Bell	A.92-05-004	Incentive Regulation	Direct Reply	4/8/93 5/5/93	6/9/93 6/9/93
DC	US Department Of Defense	C&P	926	Productivity	Direct	7/30/93	10/7/93

<u>STATE</u>	<u>CLIENT</u>	<u>UTILITY</u>	<u>CASES</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>FILE DATE</u>	<u>CROSS DATE</u>
NJ	US Department Of Defense	All LECs	TX90050349 TE92111047 TE93060211	IntraLATA Competition	Direct Reply	4/5/94 4/25/94	-- --
CT	Connecticut Resellers	Cellular Carriers	94-03-27	Financial Performance	Direct	--	6/7/94
NY	US Executive Agencies	Niagara Mohawk	94-E-0098 94-E-0099 94-G-0100	Incentive Regulation	Direct	8/31/94	10/26/94
DC	DC Office Of People=s Counsel	Pepco	939	Productivity	Direct	1/17/95	3/17/95
GA	GA Public Service Commission	Southern Bell	5503-U	Cost Allocation	Direct Reply	1/27/95 4/14/95	2/14/95 4/25/95
HI	US Department Of Defense	GTE Hawaiian	94-0298	Rate Case	Direct	5/7/96	--
CANADA	AT&T Canada	Stentor Companies	96-8	Depreciation	Direct	8/27/96	11/5/96

Attachment 2
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<u>STATE</u>	<u>CLIENT</u>	<u>UTILITY</u>	<u>CASE</u>	<u>SUBJECT</u>	<u>TYPE</u>	<u>FILE DATE</u>	<u>CROSS DATE</u>
NJ	AT&T	Bell Atlantic	T096070519	Depreciation	Direct	9/18/96	10/3/96
MA	AT&T	New England Telephone	DPU96-80/81	Depreciation	Direct	10/11/96	--
NY	AT&T	New York Telephone	95-C-0657 94-C-0095 91-C-1174	Depreciation	Rebuttal	10/15/96	11/8/96
VA	AT&T	GTE	PUC960117	Depreciation	Direct	10/30/96	--
NJ	AT&T	All LECs	TX95120631	Depreciation	Direct Rebuttal	11/1/96 12/20/96	1/24/97 1/24/97
PA	AT&T/MCI	Bell Atlantic	A-310203F0002	Depreciation	Rebuttal Direct Surrebuttal	1/13/97 2/7/97 2/21/97	1/28/97 2/25/97 2/25/97
DE	AT&T/MCI	Bell Atlantic	96-324	Depreciation	Rebuttal	2/4/97	2/18/97
WY	AT&T	U S West	7200-TF-96-95 7000-TF-96-319	Depreciation	Direct	2/5/97	2/12/97